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RUEHDK/AMEMBASSY DAKAR 0257
RUEHLC/AMEMBASSY LIBREVILLE 0035
RUEHLO/AMEMBASSY LONDON 0284
RUEHMD/AMEMBASSY MADRID 3737
RUEHNK/AMEMBASSY NOUAKCHOTT 2265
RUEHRB/AMEMBASSY RABAT 8019
RUEHTU/AMEMBASSY TUNIS 2030
RUEHFR/AMEMBASSY PARIS 0564
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C O N F I D E N T I A L CASABLANCA 000118

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STATE FOR NEA/MAG AND NEA/PI

E.O. 12958: DECL: 06/28/2017

TAGS: [ECON](#) [PREL](#) [EFIN](#) [KDEM](#) [AG](#) [MO](#)

SUBJECT: ALGERIA WEEK IN CASABLANCA PROMOTES ECONOMIC EXCHANGE, HOPE
FOR DTENTE

Classified By: Principal Officer Douglas Greene for reasons 1.4 (B)
AND (D)

¶1. (SBU) Summary: June 26 to July 1 marks Algeria Week in Casablanca, where Algeria is staging a week-long exhibition to promote business and investment opportunities between Morocco and Algeria. While the attendance of key royal family members and senior GOM officials at a lavish kick-off event signaled the Moroccan leadership's keen interest in improved relations with Algeria, Casablanca-based business leaders remain skeptical that increased commercial exchange will help bring political rapprochement. End Summary.

ROYALS FED RHETORIC AT LAVISH DINNER

¶2. (SBU) From June 26 to July 1, the Algerian Ministry of Commerce is sponsoring Algeria Week in Casablanca to promote commercial and cultural exchange between Morocco and Algeria. To kick off the week-long event, which includes an exhibition at Casablanca's exhibit hall, Algerian Ambassador to Morocco Larbi Belkheir hosted a lavish dinner on June 26 for about 300 elite guests. In attendance were the king's wife, Princess Lalla Salma, and the king's sister, Princess Lalla Asmaa, as well as others from the palace. Prime Minister Driss Jettou and a long list of GOM officials also attended, though were overshadowed by the royal contingent.

¶3. (SBU) Royal family members remained at the two hour dinner, which featured elaborate Algerian food and entertainment, including musical performers, a fashion show, folkloric dancers and a poet. In addresses including Belkheir's remarks to Lalla Salma and a recited poem, the Algerians underscored the theme of brotherhood and unity in North Africa and touted the "deep and important friendship between the Moroccan and Algerian people." Algerian dancers reemphasized the message during the grand finale when they held large Algerian and Moroccan flags side by side, eliciting thunderous applause from the audience.

ALGERIA'S COMMERCIAL GOALS LESS EXTRAVAGANT

14. (SBU) Despite the fanfare of the opening event for Algeria Week, the commercial exhibition itself is underwhelming. Advertisements promise over 80 exhibitors in diverse sectors including household appliances, food products, pharmaceuticals, packaging, textiles, tourism and artisanal goods. In reality, textiles seemed to be represented by one or two rug dealers, the food products consisted of candy and dates, and several booths were left unattended. Compared to the hopping Twelfth Annual International Trade Days going on concurrently and taking up three-quarters of the enormous exhibition hall, the Algeria Week exhibit was small with few visitors.

15. (C) While the event's stated goals are to expand business and partnership opportunities between Morocco and Algeria, and to boost economic relations, the underlying theme is that increased commercial exchange can help to improve political relations. It is not clear, however, that Algeria Week's economic goals are realistic. An Embassy Algiers Foreign Commercial Service (FCS) employee, in Casablanca for a conference this week, noted that Algeria is weak on exports (with the exception of gas) and wants to expand in the region. He could easily guess the limited range of products featured at the exhibition - foodstuffs, cosmetics - and said that even though Algerians seem willing and regulations seem open, trade with Algeria remains difficult. Nonetheless, there is widespread recognition that opportunities for increased commercial exchange between Morocco and Algeria exist, and could benefit both countries.

MOROCCANS SKEPTICAL OF CHANGE

16. (C) From a political standpoint, the presence of high-level royal guests at the Algeria Week opening event certainly demonstrates Morocco's interest in improved relations with Algeria. At the same time, many Moroccans question whether Algeria is truly ready for substantial change in its relationship with Morocco. According to

one GOM official who attended the opening dinner, "We want to say that we are ready, but know that the Algerians - deeply impacted by their history (i.e. French colonialism) - are still rooted in their past and afraid of the future." A Casablanca businessman echoed this sentiment, underscoring Morocco and Algeria's historical and cultural differences.

17. (C) When asked about the significance of the Algeria Week initiative, many Moroccan businessmen discounted it. To begin with, such events are not as singular as the media would have one believe. A few GOM guests at the opening dinner noted that the GOM had put on a similar exhibition in Algiers earlier in June, also with the goal of improving commercial and cultural ties. According to a Casablancon banker, relations between Morocco and Algeria have always remained cordial, despite the long-standing political issues between them. In his words, Morocco views Algeria as "an adversary, not a true enemy," so an event such as Algeria Week is not extraordinary, and people should not read too much into it. On the whole, businesspeople in Morocco seem to view Algeria Week as a 'nice gesture,' but not one that will change anything.

18. (C) Comment: While opportunities for commercial exchange between Morocco and Algeria exist, the bigger question is whether expanding economic relations can help smooth the road to rapprochement by opening alternate channels of dialogue and activity. At least in Casablanca, this week's Algeria Week indicates that Moroccans and Algerians alike are hopeful and want to invest in this process. At the same time, Casablancon leaders seem mostly skeptical that such initiatives can spur real, long-term change.

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